

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ORIGINAL

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UNITED STATES OF AMERICA: INFORMATION

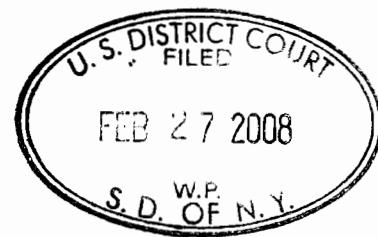
- v -

: **08 CRIM. 0159 (scr)**

ZION COHEN,

: Defendant.

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COUNT ONE
(Tax Evasion)

The United States Attorney charges:

Background

1. At all times relevant to this Information, ZION COHEN, the defendant was the President and 100 percent shareholder of three Subchapter S corporations located in Hartsdale, New York: Hartsdale Locksmith, Inc. (hereinafter "Hartsdale Locksmith"), Elite Locksmith, Inc. (hereinafter "Elite Locksmith") and Elite Garage Doors, Inc. (hereinafter "Elite Garage Doors"). Subchapter S corporations are for the most part tax reporting but not tax paying entities such that the annual income or losses generated by these entities are passed through to the shareholders of the S corporation, who report those items on their U.S. Individual Income Tax Returns.

a. Hartsdale Locksmith provided locksmith services to customers located in the Hartsdale, New York area.

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DOCUMENT	Elite Locksmith provided locksmith services
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to customers located outside of the Hartsdale, New York area.

c. Elite Garage Doors provided garage door sales and repair services to customers both in and outside of the Hartsdale, New York area.

2. During the years 2000 and 2001, ZION COHEN, the defendant, maintained bank accounts in the names of Elite Locksmith and Elite Garage Doors at Chase Bank, and an account in the name of Hartsdale Locksmith at the Bank of New York into which payments from customers were deposited. Bank statements and other account-related documents relating to these accounts at the Bank of New York were timely provided to the tax return preparer for Elite Locksmith, Elite Garage Doors and Hartsdale Locksmith by ZION COHEN, the defendant, for use in preparing U.S. Corporation Income Tax Returns (Forms 1120S) (hereinafter "the corporate tax returns") for those entities.

3. During the year 2000, ZION COHEN, the defendant, maintained a bank account in the name of Hartsdale Locksmith at Chase Bank, and during the years 2000 and 2001, ZION COHEN, the defendant, maintained a bank account in the name of Elite Locksmith at HSBC Bank. Payments from customers of Hartsdale Locksmith, Elite Locksmith and Elite Garage Doors were deposited into these accounts. ZION COHEN, the defendant, concealed the existence of these accounts from the return preparer for these entities, and failed to provide the return preparer with any

documentation relating to these accounts. As a result of the concealment of these accounts, corporate tax returns filed by ZION COHEN, the defendant, for Hartsdale Locksmith, Elite Locksmith and Elite Garage Doors for the years 2000 and 2001 omitted a substantial amount of the gross receipts and ordinary income of these entities. As a result of the understatement of the ordinary income on the Elite Locksmith, Hartsdale Locksmith and Elite Garage Doors 2000 and 2001 corporate income tax returns, ZION COHEN's 2000 and 2001 U.S. Individual Income Tax Returns (Forms 1040) substantially understated his taxable income and tax liability.

Statutory Allegations

4. From on or about January 1 of each of the calendar years set forth below, through on or about the filing dates set forth below for each calendar year, in the Southern District of New York, defendant ZION COHEN unlawfully, wilfully and knowingly did attempt to evade and defeat a substantial part of the income tax due and owing by himself and his spouse to the United States of America for the calendar years set forth below, by various means, including, among others: (a) causing receipts of Hartsdale Locksmith, Elite Locksmith and Elite Garage Doors to be deposited to bank accounts in the name of Hartsdale Locksmith and Elite Locksmith which ZION COHEN, the defendant, concealed from the tax return preparer for those entities; and (b) causing to be

prepared, signing and causing to be signed, and filing and causing to be filed, false and fraudulent U.S. Individual Income Tax Returns, Forms 1040, for himself and his spouse for the calendar years 2000 and 2001, which were filed with the IRS, and which substantially understated his and his spouse's taxable income and tax liability for each year as set forth below:

<u>Calendar Year</u>	<u>Approx. Filing Date</u>	<u>Taxable Income (Reptd.)</u>	<u>Taxable Income (Actual)</u>	<u>Tax (Reptd.)</u>	<u>Tax (Actual)</u>
2000	3/27/01	\$235	\$522,803	-0-	\$184,882
2001	4/3/02	\$63,757	\$99,419	\$9,008	\$18,437

(Title 26, United States Code, Section 7201).


MICHAEL J. GARCIA
United States Attorney